

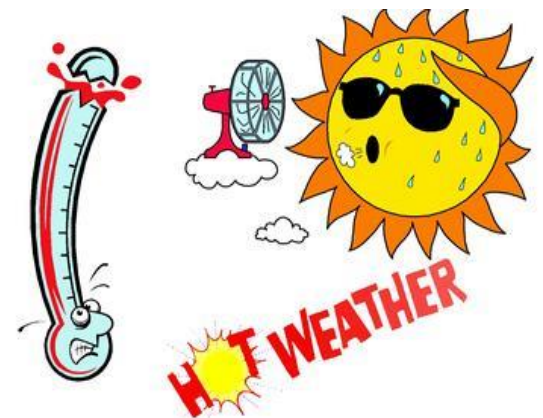
# **Summer Preparedness Consumer Focus June 26, 2019**

**Illinois Commerce Commission, Chicago, Illinois**

Susan L. Satter  
Public Utilities Policy Counsel  
Office of the Illinois Attorney General

# Summertime Consumer Utility Issues

- Illinois weather drives natural gas usage in winter for heating and drives electricity usage in summer for air conditioning.
- Relief from high heat bills, but residual debt may persist, straining budgets
- ARES and ARGES Solicitations
- Heat and Storms



# Relief from Heating Bills but ...

- Many Illinois consumers cannot afford winter heating and fall behind in payments during the cold weather months.
- Winter leaves consumers with debt
  - 248,198 Nicor Gas past-due shut-off notices through Nov. 2018 (source Docket 18-1775)
  - 227,886 Peoples Gas accounts eligible for disconnection 2018 (source SMP ICC 2018 4Q Report)
  - 171,766 Ameren Gas deferred payment arrangements (DPAs) in 2016 (source Docket 18-1486)



This Photo by Unknown Author is licensed under [CC BY-NC-SA](#)

# High Heating Bills Persist for Some Customers

- Section 280.180h Requires Reports of Disconnections and Reconnections and other information at Commission Request

## Number of customers disconnected with balances owed

	Peoples Gas		Nicor Gas		Ameren Gas	
	Sept' 18	March' 19	Sept' 18	March' 19	Sept' 18	March' 19
<\$500 / <\$400	151	73	2869	283	151	952
<\$1,000	886	341	3127	1006	885	631
>\$1,000	1242	511	1512	324	1242	273

# Hot Weather Drives Up Electricity Usage

- **Air conditioning: single largest driver of electricity bills for most consumers in the summer**

Central AC: increases usage by 350-950 kwh per month

- Delivery charges: ComEd – 4.093¢/kwh      Ameren – 6.01 ¢/kwh
- Supply charges: ComEd – 6.725 ¢/kwh      Ameren – 4.561 ¢/kwh
- Higher supplier prices exacerbate effect:

Supplier charges of 8.0¢/kwh to as high as 14¢/kwh

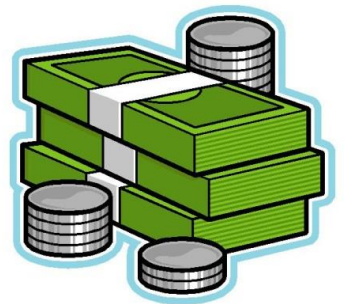
Monthly increase from \$37.10 - \$102.60

Applies to all usage, can significantly increase customer bills

**Customer bills sensitive to usage and to supply price**

# Supply Charges Matter

- General Assembly passed SB 651, with mandated disclosures and consumer protections – BUT not effective until 1/1/2020
- With summer demand spiking, longer days, more supplier door-to-door sales.
- Customers often do not understand the price differences between supply and other charges.
- Effect on bills magnified as Customers often do not understand the price differences between supply and other charges.



# Income In Areas with High ARES Subscriptions

**Consumers enrolled with alternative electric suppliers for the last four years have paid more than \$600 million more in electricity costs than consumers who stayed with their public utility \***

## Financial Status of Homes in Areas with High Switch Rates to Alternative Electric Suppliers

Community Areas	Zip Code	Enroll %	Income	Poverty %
West Englewood	60636	32.2%	\$27,573	33.4%
Riverdale, Altgeld Gardens	60827	31.2%	\$31,008	34.4%
Austin	60644	30.2%	\$27,617	33.8%
North Lawndale, Little Village	60623	29.4%	\$31,445	35.6%
Auburn Gresham, Brainerd	60620	29.3%	\$33,304	27.6%
West Garfield Park, Homan Square	60624	29.0%	\$22,467	43.4%
Englewood	60621	28.8%	\$19,845	46.1%
West Lawn, Marquette Park	60629	28.4%	\$41,856	20.3%
Roseland, Pullman	60628	28.0%	\$38,206	27.7%
West Humboldt Park, North Austin	60651	27.8%	\$36,283	28.1%
Brighton Park, Archer Heights	60632	27.6%	\$42,335	20.8%
South Shore	60649	27.5%	\$24,941	35.9%
Woodlawn, Hyde Park	60637	26.7%	\$28,024	38.4%
Chatham, Greater Grand Crossing	60619	26.5%	\$32,558	27.1%
Belmont Cragin, Hermosa	60639	26.3%	\$41,307	24.1%
Bronzeville, Grand Boulevard	60653	25.9%	\$28,411	35.9%
West Ridge, Arcadia Terrace	60659	25.2%	\$50,554	21.5%
Back of the Yards, Bridgeport, McKinley Park	60609	25.1%	\$33,959	30.8%
West Ridge	60645	25.1%	\$50,589	20.7%
South Chicago, East Side, Calumet Heights	60617	24.7%	\$38,417	24.3%
Scottsdale, Ashburn, Wrightwood	60652	23.3%	\$65,770	11.7%
Beverly, Morgan Park	60643	21.8%	\$59,488	16.6%
Portage Park, Old Irving Park	60641	21.3%	\$56,488	13.3%
Rogers Park	60626	20.9%	\$39,163	24.9%
Pilsen, Bridgeport, McKinley Park	60608	20.9%	\$41,226	24.5%

Community Areas with low switch rates	Zip Code	Enroll %	Income	Poverty %
Lincoln Park	60614	10.0%	\$100,116	10.0%
River North	60654	7.4%	\$104,629	7.8%
West Loop	60661	5.7%	\$104,714	13.8%

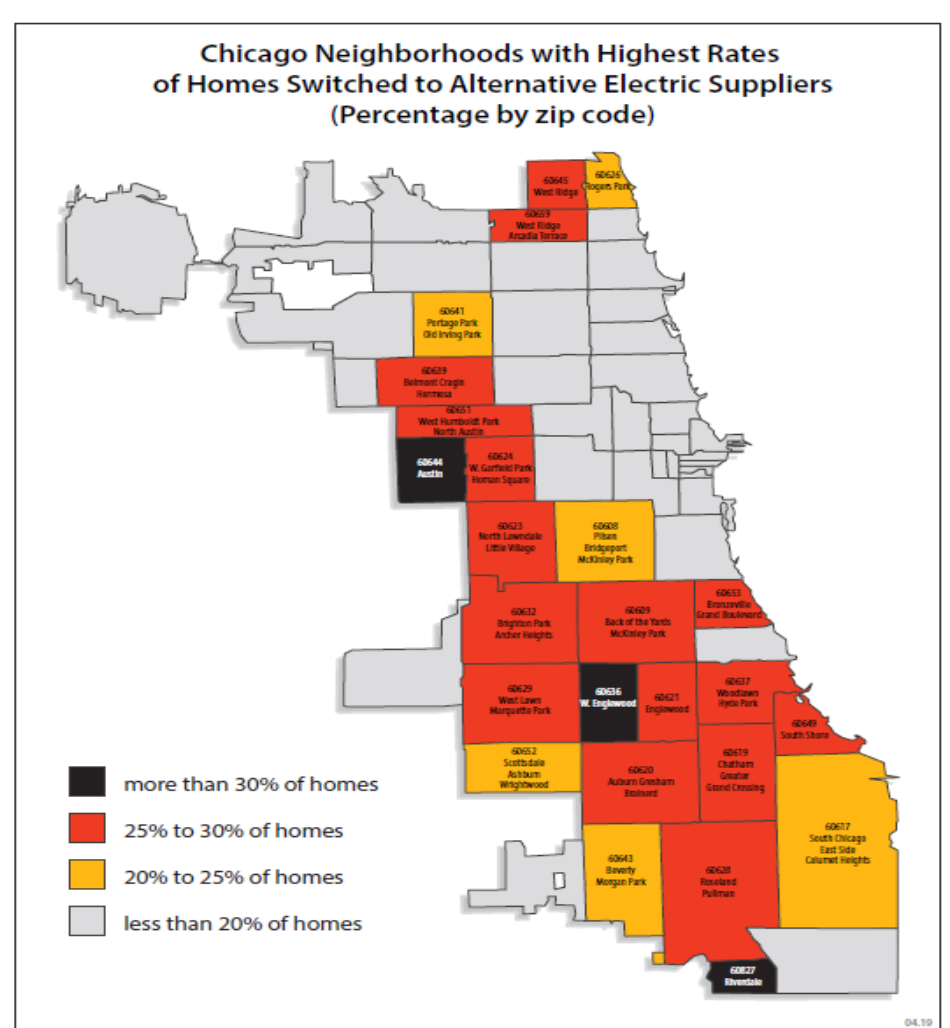
\* Illinois Commerce Commission report (2018)

Source: 2017 American Community Survey (U.S. Census Bureau)

Poverty % = Individuals below poverty level

Income = Median Household Income

# ARES Penetration in Chicago Neighborhoods





# Summer Dangers: Heat and Storms

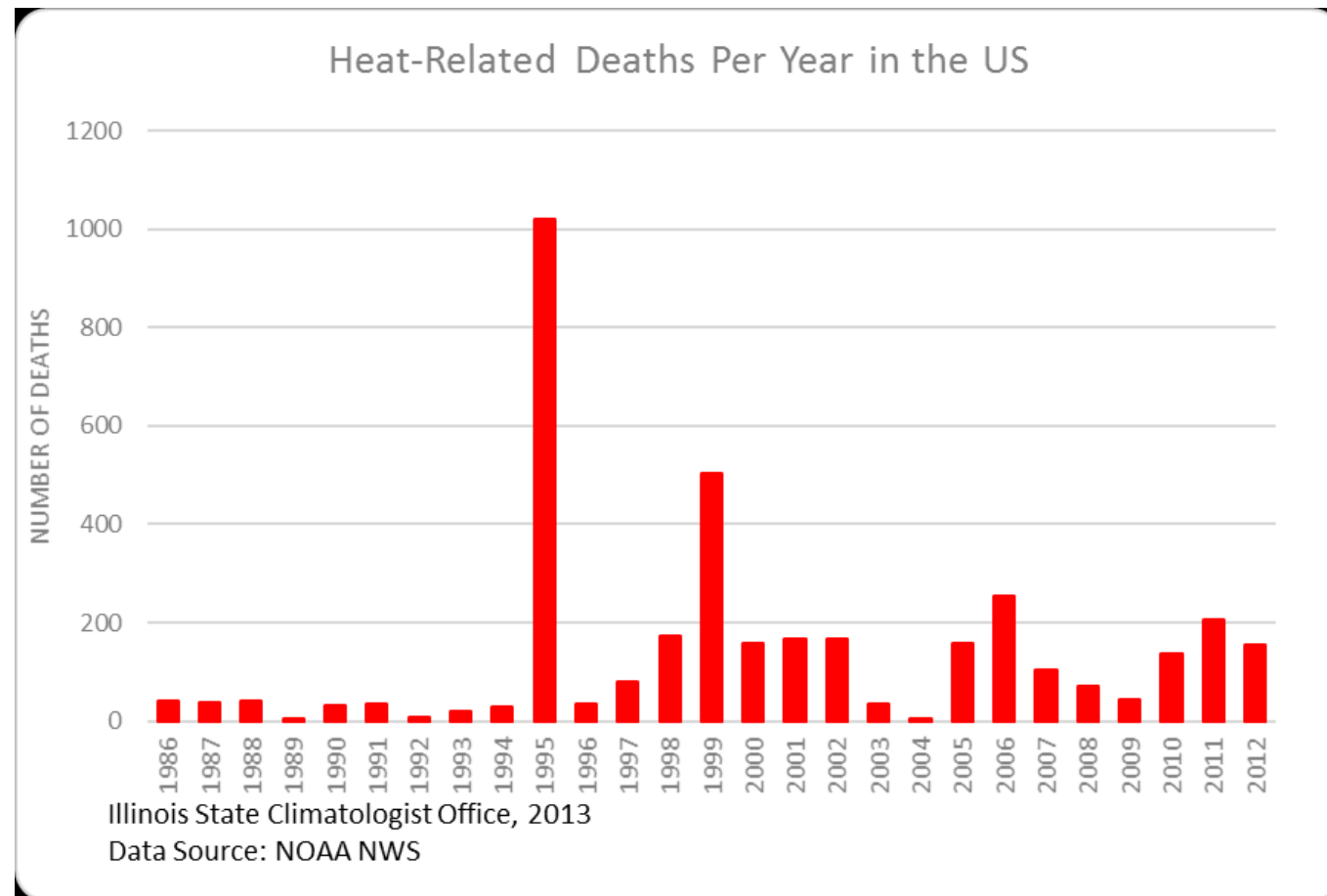
- Summer Heat of 1995 left 739 people dead of heat related causes.
  - Usage soared, consumers reportedly declined to use AC due to cost concerns.

See Heat Wave, A Social Autopsy of Disaster in Chicago, Eric Klinenberg (2002).

- Summer of 2011-NE Illinois : More than 2 million customer outages, 6 major summer storms, including July 11: 911,207 outages, with 256,000 customer outages > 24 hours
  - Consequences of outages reach throughout community
  - Customers without power, air conditioning, refrigeration, light
  - No street lights or traffic controls
  - Downed power lines
  - Priority restoration -- Municipal Joint Operations Center

# Summer Heat Can Be Deadly

## In U.S., More Heat Related Deaths Than Floods, Lightning, Tornadoes And Hurricanes, Combined



# Are Fewer Customers Being Affected By Outages?

- Storm outages remain a significant summer threat to millions of residents throughout Illinois.
- EIMA Performance metrics exclude up to nine storm-related outages (“significant weather event”) and do not reflect customer experience.
- EIMA Performance metrics primarily measure “blue sky” outages.



# Storm Outage Performance - ComEd

	SAIFI	CAIDI (min)
	reported/goal	
• 2018 = 490,458 excl outages (8)	0.626/0.878	83.4/84.5
0 included storm outages		
• 2017 = 617,162 excl outages (9)	0.575/0.898	81.2/85.9
140,328 incl outages		
total = 757,490 customer storm outages		
• 2016 = 531,421 excl outages (9)	0.612/0.918	84.5/87.3
0 included storm outages		
• 2015 = 585,456 excl outages (9)	0.735/0.938	79.1/88.7
35,892 incl storm outages		
• 2014 = 858,952 excl outages(9)	0.784/0.958	78.6/90.1
48,164 incl storm outages		

Source: ComEd Multi-year Performance Metrics Annual Report for the Year Ending 12/231/18

# Included and Excluded Storms - ComEd

Days qualifying for exclusion

- Days excluded from the calculations are highlighted in yellow.

**2013 - Performance Year 1**

Date	Customer Interruptions
06/24/2013	226,685
11/17/2013	192,020
8/30/2013	137,096
04/18/2013	74,888
06/12/2013	71,434
06/27/2013	53,490
06/26/2013	47,132
05/28/2013	46,657
06/25/2013	46,052
08/31/2013	33,635
07/20/2013	32,947
11/18/2013	14,250

**2014 - Performance Year 2**

Date	Customer Interruptions
06/30/2014	326,544
09/05/2014	141,572
03/12/2014	109,868
08/25/2014	78,571
07/01/2014	57,669
06/21/2014	46,647
08/23/2014	41,760
05/11/2014	32,302
07/02/2014	24,019
07/03/2014	31,814
09/06/2014	16,350

**2015 - Performance Year 3**

Date	Customer Interruptions
08/02/2015	100,550
12/28/2015	76,856
07/13/2015	72,654
08/18/2015	59,551
11/21/2015	58,331
06/22/2015	57,442
11/12/2015	56,516
04/10/2015	52,342
02/01/2015	51,214
08/03/2015	19,399
06/23/2015	9,754
12/29/2015	6,739

**2016 - Performance Year 4**

Date	Customer Interruptions
2/19/2016	213,785
7/24/2016	82,687
3/16/2016	63,822
7/6/2016	63,333
7/21/2016	60,301
7/23/2016	54,135
2/20/2016	23,194
7/25/2016	20,461
7/22/2016	12,525

**2017 - Performance Year 4**

Date	Customer Interruptions
3/8/2017	113,232
1/10/2017	89,501
7/21/2017	69,387
7/12/2017	67,301
5/17/2017	61,626
6/14/2017	59,814
7/23/2017	57,846
6/28/2017	49,287
7/19/2017	49,168
5/18/2017	40,065
7/20/2017	36,794
3/7/2017	33,514
7/22/2017	17,016
6/29/2017	12,939

**2018 - Performance Year 6**

Date	Customer Interruptions
11/26/2018	166,518
11/25/2018	111,485
10/20/2018	83,702
9/25/2018	60,383
8/29/2018	33,069
9/26/2018	21,561
11/28/2018	7,433
11/27/2018	6,307

# Storm Outage Performance - Ameren

	SAIFI	CAIDI/minutes
• 2018 = 208,713 excluded outages (6 events)	0.77/0.99	128/142
• 2017 = 214,259 excluded outages (6 events)	0.83/1.02	139/144
• 2016 = 368,480 excluded outages (6 events)	0.93/1.04	121/147
• 2015 = 372,192 excluded outages (9 events)	0.94/1.06	137/149
• 2014 = 154,425 excluded outages (4 events)	1.00/1.08	133/151
• 2013 = 358,232 excluded outages (9 events)	0.91/1.11	131/154

- Source: Ameren Illinois Modernization Action Plan, Multi-Year Performance Metrics Reports. See also Ameren Electric Reliability Reports.

# Conclusions

- Summer 2019 getting off to a slow, wet start
- Means less bill impact from air conditioning use,
- Utility revenue weather sensitive – due to formula rates, however, ComEd and Ameren will collect their authorized revenues irrespective of the weather through rate adjustments in future years.
- Utility customers pay more for gas in the winter and more for electricity in the summer, but heating debt may persist, straining budgets
- ARES and ARGS Solicitations can drive up bills for most vulnerable
- Heat and Storms

# **Thank you**

Susan L. Satter  
Public Utilities Counsel  
Illinois Attorney General's Office  
100 West Randolph Street, 11th Floor  
Chicago, IL 60601  
Telephone: (312) 814-1104  
Email: [ssatter@atg.state.il.us](mailto:ssatter@atg.state.il.us)